GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3328
ANSWERED ON:06.09.2007
SUBSIDY ON FERTILIZERS TO FARMERS
Gangwar Shri Santosh Kumar;Murmu Shri Hemlal;Vijay Krishna Shri

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government proposes to provide subsidy on fertilizers to the farmers through smart cards;

(b) if so, the details thereof;

(c) whether the Government has decided to provide subsidy on fertilizers directly to the farmers;

(d) if so, whether the Tata Consultancy Services (TCS) has conducted a study on the proposal of the Government;

(e) if so, whether the TCS has submitted any report to the Government in this regard;

(f) if so, the salient features of the said report;

(g) the action being taken/proposed to be taken by the Government in the light of the said report; and

(h) the details of benefits likely to accrue to the farmers in each States of the country from the present fertilizer subsidy proposal?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (f) : In the Budget 2007-08, the Government has announced that an alternative method of delivering the subsidy directly to the farmer needs to be explored and that the fertilizer industry has agreed to work with the Department of Fertilizers to conduct a study and find a solution. Accordingly, the Fertilizer Association of India (FAI) has commissioned a study by the Tata Consultancy Services (TCS) on alternative mechanisms for delivery of subsidy to the farmers. The salient features of the report of TCS are :-

i) Direct subsidy disbursement to farmers/tillers through smart cards
ii) Farmers and dealers need be registered at district level
iii) The subsidy disbursement is linked to purchase of fertilizer products (or nutrients)
iv) A district (within every state) will be the unit for provisioning/budgeting fertilizer subsidy

(g) & (h): A Group of Ministers has been formed to look into sustainable use of fertilizers and pertinent subsidy and pricing issues. The issues relating to alternative mechanism for release of subsidy to farmers is also being looked into by the GOM.